

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Sound Energy Solutions

Docket No. CP04-58-000

NOTICE OF APPLICATION
(February 2, 2004)

Take notice that on January 26, 2004, Sound Energy Solutions (SES); 301 East Ocean Boulevard, Suite 1510, Long Beach, California 90802, filed an application pursuant to Section 3(a) of the Natural Gas Act and Part 153 of the Commission's regulations, seeking authorization to site, construct and operate a liquefied natural gas (LNG) terminal located in the Port of Long Beach, Los Angeles County, California for the purpose of importing LNG into the United States. SES also requests approval of the Long Beach terminal as the place of entry for the imported LNG under Section 3. SES requests that the Commission issue a final order on their application by October 20, 2004. SES states that this proposed regulatory schedule will enable it to commence construction activities in the fourth quarter of 2004, and meet an in-service date in 2008.

This application is on file with the Commission and open to public inspection. It is available for review at the Commission in the Public Reference Room or may be viewed on the Commission's website at <http://www.ferc.gov> using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll free at (866)208-3676, or for TTY, contact (202) 502-8659. Any initial questions regarding these applications should be directed to Ms. Tetsuko Egawa, Assistant Director, Development, Sound Energy Solutions, 301 East Ocean Boulevard, Suite 1510, Long Beach, CA 90802; Telephone: (562) 495-9885.

In June 2003, SES requested the use of the National Environmental Policy Act (NEPA) Pre-filing Process offered by Commission Staff to begin the environmental review of SES's intention to request authority to site, construct and operate its LNG import terminal. The purpose of the NEPA Pre-filing Process is to encourage the early involvement of interested stakeholders, facilitate interagency cooperation, and identify and resolve issues before an application was filed with the Commissions. On July 11, 2003, the Commission Staff granted SES's request, and at the same time announced that the Port of Long Beach will be the lead agency for review of the project pursuant to the California Environmental Quality Act, and that the two agencies will produce a joint Environmental Impact Statement/Environmental Impact Report and Application Summary Report (ASR) (EIS/EIR/ASR).¹

1 The NEPA pre-filing docket at the Commission was PF03-06-000, and the related Port of Long Beach proceeding is designated POLB Application No. HDP 03-079.

Then on September 22, 2003, the Commission and the Port of Long Beach issued a Notice of Intent to Prepare a Joint Environmental Impact Statement and Notice of Preparation of Joint Environmental Impact Report. That notice announced the opening of the scoping process that was used by the Commission Staff and the Port of Long Beach to gather input from the public and interested agencies on the project to help determine which issues need to be evaluated in the EIS/EIR/ASR. Please note that the initial EIS/EIR/ASR scoping period closed on October 30, 2003. Later, on November 10, 2003, the Port of Long Beach issued a supplemental scoping notice and received additional comments through December 12, 2003 on project information that was not initially available. Now, as of the filing of SES's application on January 26, 2004, the NEPA Pre-filing Process for SES's project is also closed.

SES says that its proposed LNG import terminal is designed to import LNG from Asia and elsewhere abroad to the United States for sale in California's non-core natural gas markets, and to provide liquid vehicle fuel to customers in the Los Angeles Basin. SES's LNG import terminal will receive LNG from ocean-going tankers, temporarily store it in its liquid state, and then vaporize the LNG for transport via a new natural gas pipeline to be constructed, owned, and operated by a third party. This 2.3 mile pipeline will connect with the Southern California Gas Company's existing pipeline system at its Salt Work's Station, Line 765. The vaporized LNG will be sent out from SES's LNG import terminal at an average rate of 700,000 Mcf per day, with a peak capacity of 1,000,000 Mcf per day, or 1 Bcf per day.

Some of the LNG will not be vaporized, but will be sold as liquid vehicle fuel for LNG vehicles in the Port of Long Beach and other vehicle fleets in the Los Angeles Basin. The LNG liquid fuel will be delivered from SES's LNG import terminal by truck to LNG fueling station(s) or directly to vehicles via a mobile fueling vehicle.

In order to import the LNG supplies for sale to natural gas and vehicle fuel markets, SES requests Commission authorization to construct, install, and operate the following facilities :

- An LNG ship berth with LNG unloading arms;
- Two full containment LNG receiving tanks, each with a gross liquid volume of 160,000 cubic meters (1,006,000 barrels), the regasified equivalent of 3.5 Bcf;
- Various LNG pumping equipment;
- Three direct-fired shell and tube vaporizers each sized for 350,000 Mcf per day;
- Three boil-off gas compressors and associated condensing system;
- Natural gas liquids recovery system, including storage facilities;
- LNG trailer truck loading facility, with a dedicated LNG vehicle fuel storage tank with a capacity of 3,800 cubic meters (23,901 barrels) of vehicle quality LNG;

- Various metering, odorizing utilities, buildings, and service facilities; and,
- Associated hazard detection, control and prevention systems, cryogenic piping and insulation, electrical and instrumentation systems.

All components will be constructed in accordance with governing Federal and State regulations, including 33 CFR Part 127 for marine facilities, 49 CFR Part 193, and National Fire Protection Association Standard 59A for LNG facilities and the codes and standards referenced therein.

There are two ways to become involved in the Commission's review of this project. First, any person wishing to obtain legal status by becoming a party to the proceedings for this project should, on or before the comment date listed below, file with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426, a motion to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the Regulations under the NGA (18 CFR 157.10). A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies of all documents filed by the applicant and by all other parties. A party must submit 14 copies of this filing and all subsequent filings made with the Commission and must mail a copy of all filing to the applicant and to every other party in the proceeding. Only parties to the proceeding can ask for court review of Commission orders in the proceeding.

The parties listed in Appendix A of this notice "filed" motions to intervene in the NEPA Pre-filing Process, Docket No. PF03-06-000. The filing of those motions was inappropriate in the NEPA Pre-filing Process and were not requested in the September 22, 2003, NEPA Notice of Intent. In spite of the foregoing and in this instance, the Commission will carry-over the motions to intervene "filed" in Docket No. PF03-06-000 into the proceeding herein, Sound Energy Solutions, Docket No. CP04-58-000. Thus, those parties need not refile their motions to intervene at this time, but may file additional comments on or before the below listed comment date.

However, other persons do not have to intervene in order to have comments considered. The second way to participate is by filing with the Secretary of the Commission, as soon as possible, an original and two copies of comments in support of or in opposition to this project. The Commission will consider these comments in determining the appropriate action to be taken, but the filing of a comment alone will not serve to make the filer a party to the proceeding. The Commission's rules require that persons filing comments in opposition to this project provide copies of their protests only to the party or parties directly involved in the protest.

Persons may also wish to comment further only on the environmental review of this project. Environmental commenters will be placed on the Commission's

environmental mailing list, will receive copies of environmental documents issued by the Commission, and will be notified of meetings associated with the Commission's environmental review process. Those persons, organizations, and agencies who submitted comments during the NEPA Pre-filing Process in Docket No. PF03-06-000 are already on the Commission Staff's environmental mailing list for the proceeding in this docket, CP04-58-000 and may file additional comments on or before the below listed comment date. Environmental commenters will not be required to serve copies of filed documents on all other parties. However, environmental commenters are also not parties to the proceeding and will not receive copies of all documents filed by other parties or non-environmental documents issued by the Commission. They will not have the right to seek court review of any final order by Commission in this proceeding.

Motions to intervene, protests and comments may be filed electronically via the internet in lieu of paper; see, 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings. Electronic filing eliminates the burden of filing original and 14 copies of paper filings with the Commission, but does not change the Commission's requirement of service of filings on other parties to the proceeding, see, 18 CFR 385.2010.

Comment Date: February 23, 2004

Magalie R. Salas
Secretary

Appendix A

<u>Filing Date</u>	<u>Party</u>
12/10/2003	CALifornians for Renewable Energy, Inc.
11/20/2003	Kern River Gas Transmission Company
11/10/2003	Union Oil Company of California
10/29/2003	California Public Utilities Commission
10/24/2003	ConocoPhillips Company
10/8/2003	BHP Billiton LNG International Inc.
10/8/2003	Freeport LNG Development, L.P.

Note : Shell NA LNG, LLC filed a Motion to Intervene on 9/26/2003,
but withdrew its motion on 10/3/2003 .